

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF REDEVELOPER
APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND PROPOSED DISPOSITION OF PARCELS R-11A and R-11B
IN THE SOUTH END URBAN RENEWAL AREA
PROJECT NO. MASS. R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provided for financial assistance in the hereinafter identified Project Area; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project No. Mass. R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Old Boston Restorations has expressed an interest in and/or has submitted a satisfactory proposal for the development of Disposition Parcels R-11A and R-11B in Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Old Boston Restorations be and hereby is finally designated as Redeveloper of Parcels R-11A and R-11B in the Project Area.
2. That it is hereby determined that Old Bostn Restorations possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.
3. That disposal of said Parcels by negotiation is the appropriate method of making the land available for redevelopment.
4. That the Final Working Drawings and Specifications submitted by Old Boston Restorations for the development of Parcels R-11A and R-11B conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.
5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Land Disposition Agreement and Deed conveying Parcels R-11A and R-11B and a License Agreement for Parcel R-11C to Old Boston Restorations said documents to be in the Authority's usual form and containing such other terms and conditions as the Director, in his sole discretion, may deem advisable.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

Dear David:

I am pleased to inform you that Bank of New England is willing to provide construction/first mortgage financing on the property located below, subject to the conditions outlined hereafter:

PROPERTY:

1000 North Street, Boston, MA 02111

AMOUNT:

\$1,000,000

TERMS:

To finance the acquisition and construction of the proposed building at 1000 North Street, Boston, MA 02111, subject to the conditions outlined hereafter:

Acquisition	\$1,000,000
Construction	\$1,000,000
Cost	\$2,000,000
Cost of Sale	\$2,000,000
Profit	\$2,000,000

The bank will advance the loan in two installments, the first installment of \$1,000,000 at the time of acquisition and the second installment of \$1,000,000 at the time of construction.

Very truly yours,

Secretary

Bank of New England

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BANK OF NEW ENGLAND

February 15, 1985

Mr. David C. Parker
Old Boston Restorations
477 Shawmut Avenue
Boston, MA 02118

Dear David:

I am pleased to inform you that Bank of New England is willing to provide construction/first mortgage financing on the property outlined below, subject to the conditions outlined hereafter:

**BORROWER AND
GUARANTOR:**

David C. Parker, DBA Old Boston Restorations.

AMOUNT:

\$1,600,000.

**PROCEEDS OF
LOAN:**

To finance the acquisition and restoration of the McDonald Warehouse at 10-34 East Concord Street in the South End, Boston, MA with costs estimated as follows:

Acquisition	\$ 58,000
Hard Construction	
Costs	1,294,000
Soft Costs	<u>248,000</u>
TOTAL	\$1,600,000

INTEREST RATE:

The loan shall bear interest at the rate of Bank of New England's Large Prime as it may change from time to time plus 2% per annum.

**LOAN TERM AND
REPAYMENT
SCHEDULE:**

The construction loan will be due and payable twelve months from the closing date and will be interest only with no prepayment penalty. If, at that point, permanent financing with Fannie Mae or an alternative source is not yet in place, and if the project is completed and successfully leased, we would be willing to provide first mortgage financing for up to \$1.0 million for thirty months under a twenty year principal amortization schedule.

The Bank will establish an account for you with us that will be charged monthly for interest and, if applicable, principal charges. It is your responsibility to keep the account adequately funded

FEES:

One-half percent (\$8,000) upon your signed acceptance of this commitment letter, one percent (\$16,000) at the loan closing and one percent (\$100,000) if we provide the estimated \$1.0 million first mortgage financing in twelve months.

COLLATERAL:

First mortgage on the real estate comprising 10-34 East Concord Street, Boston and second mortgages on 134 West Concord Street, 136 West Concord Street and 475 Shawmut Avenue, Boston. The second mortgage on 475 Shawmut Avenue will be released upon completion of the project with a certificate of occupancy and equity investors in place for not less than \$600,000.

**REAL ESTATE
TAXES:**

The Bank will require a Mortgage Title Insurance Policy in the amount of the loan using the ALTA Form issued by a title insurance company approved by the Bank. The Bank's attorney will be responsible for obtaining said policy at your expense and the policy must include 21E coverage.

The Borrower shall also carry prudent amount of of liability insurance protecting the Borrower and the Bank against any accident or occurrence on the subject property, and certification of insurance shall be furnished to the Bank on demand.

**CONSTRUCTION
CONTRACTS:**

It is understood that a construction loan agreement will be made between you and the Bank. As part of this agreement, the Bank will require that you and any other contractors or sub-contractors involved in the project will be bonded by an acceptable source. In addition, the Bank will require 10% retainage on the project and the use of the standard A.I.A form for requisitions. The Bank also reserves the right to inspect the work being done on the subject property at any time during construction or after the project is completed.

**PERMANENT
FINANCING:**

It is understood that you will continue in the application process to Fannie Mae for five to seven year fixed rate financing for the project and that if the Fannie Mae response is not favorable, alternative long-term financing will be sought. Also, it is agreed that in order for the Bank to consider financing this project beyond the completion date, a minimum of \$600,000 of equity financing must be in place.

EXPENSES:

Whether or not this commitment is terminated for any reason, and whether or not the loan closes, the Borrower agrees to pay for all expenses, fees and charges in respect to the loan or in any way connected therewith, including appraisal fees, legal fees to our attorney, title costs, recording costs, or any such customary and reasonable expenses as are normally and reasonably incurred in connection with the processing and/or consummation of the loan.

APPROVALS:

Before closing the Bank will also require a plot plan and survey and satisfactory opinion from counsel as to zoning, utilities, environmental concern and other such matters as we may require.

In this regard, the Bank's attorney shall approve each instrument or document required to be furnished by the borrower pursuant to this commitment. Such approval shall be as to both form and substance, and shall be determined by them in their absolute and sole discretion and judgment.

**OTHER
DOCUMENTATION:**

The Bank or its attorney may require further instruments, documents and assurances as may be determined prior to or at the closing.

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**TRANSFER OF
BORROWER'S
INTEREST:**

- The identity of the Borrower is of material importance to the Bank. This commitment and any collateral for the loan shall not be assigned or transferred by the Borrower without the Bank's prior express written approval. No junior mortgage or encumbrance on the Premises will be allowed without the Bank's prior written consent.

CONDITIONS:

This commitment is subject to review of all pertinent BRA documents concerning the property including the land disposition agreement which we understand will include the following points:

- A purchase price of \$58,000 for the building
- The project will include five units of Section 8 housing for a period of seven years
- The project will contain 21 non-section 8 units which may be sold as condominiums prior to the seven year rental guideline only upon the payment of a 2 1/2% fee (of gross sale) to the BRA
- The provision of an adjacent lot for a minimum of 19 parking spaces
- There will not be a provision in agreement which might have a negative impact upon the Bank under a foreclosure other than issues concerning the Section 8 units

**REPRESENT-
ATIONS:**

All representations made by the Borrower to the Bank in the Mortgage Loan application, or otherwise with respect to obtaining the loan, shall be deemed to be material and relied upon by the Bank in issuing this commitment and shall survive the closing of the loan.

ATTORNEY:

Our attorney in this transaction is Stephen A. Greeley, Carolan & Sullivan, 20 Kilby Street, Boston, MA 02109 (Telephone #227-5270).

ACCEPTANCE:

If you are in agreement with the terms and conditions outlined herein, please sign and return to me a copy of this letter. This commitment will automatically expire if not accepted and received by me within ten days.

David, I appreciate this opportunity to be of assistance to you in this financing and am looking forward to working with you toward a successful restoration of the McDonald Warehouse.

Very truly yours,

BANK OF NEW ENGLAND, N.A.

By Mark C. Hargrave III
Mark C. Hargrave, III
Banking Officer

MCH:rmk

ACCEPTED:

David C. Parker

MEMORANDUM

MARCH 7, 1985

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: STEPHEN COYLE, DIRECTOR

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS. R-56
FINAL DESIGNATION OF REDEVELOPER OF REUSE PARCELS R-11A AND R-11B
16-34 EAST CONCORD STREET

SUMMARY: This memorandum requests that the Authority finally designate David C. Parker d/b/a Old Boston Restorations of 477 Shawmut Avenue, Boston, as the Redeveloper of Reuse Parcels R-11A and R-11B in the South End Urban Renewal Area.

On September 13, 1984, David C. Parker d/b/a Old Boston Restorations was tentatively designated as Redeveloper of the existing McDonald Warehouse located on Reuse Parcel R-11 in the South End Urban Renewal Area, Project No. Mass. R-56. Parcel R-11 contains approximately 23,448 square feet, consisting of approximately 18,664 square feet of vacant land, located at 6-24 East Concord Street, and a four-story brick warehouse structure standing at 26-34 East Concord Street on approximately 4,784 square feet of land.

Old Boston Restorations submitted a development proposal which called for the rehabilitation of the McDonald Warehouse into a total of twenty-six units of affordable rental housing, eighteen units of which would be market rate units and the remaining eight units would be low-income units for a period of ten years. Also, included in the proposal was the construction of fifty-five new housing units on the 18,664 square feet of vacant land. However, these plans for new construction were not advanced at the time of the submission and no designation for new construction was recommended or approved.

The rehabilitation of the McDonald Warehouse was to be financed in part by a Section 312 loan from the Department of Housing and Urban Development. Since the Section 312 loan is no longer available, Old Boston Restorations has now proposed to amend its financing plan with related changes. There are four specific changes which have been proposed. First, the conventional debt financing and the equity contribution for the project would be increased to replace the Section 312 loan. Second, it would change the rent schedule for the entire project. Third, it would change the number of low-income units. Fourth, it would change the period for maintaining such low-income units.

The revised plan for Parcel R-11A, containing the McDonald Warehouse on approximately 4,784 square feet of land and 2,296 square feet of vacant land for open space, would be to maintain twenty-six rental units of which twenty-one market rate units would be available for a period of five years and five low-income units would be available for a period of seven years after

completion. The five low-income units would be restricted for the seven year period to the Section 8 rental level, and Old Boston Restorations can comply with this restriction by securing Section 8 certificate holders or funding the difference between the economic rent and the Section 8 rent level from its own resources.

From the sixth to the end of the seventh year after completing the rehabilitation of the McDonald Warehouse, Old Boston Restorations may convert the project to condominium ownership subject to providing notice of its intent to convert and entering into an agreement with the Authority wherein the Authority will be paid as consideration of granting the right to convert 2.5% of the gross sales price on the initial sale of each condominium unit.

Old Boston Restorations also submitted a new plan for Parcel R-11B, consisting of 8,419 approximately square feet of vacant land, to be used for resident parking and open space only. That particular restriction will be set forth in the deed for such parcel. The remainder of Parcel R-11, now designated as Parcel R-11C and containing approximately 7,949 square feet of vacant land at 6-14 East Concord Street, will not be conveyed. The Authority will enter into a License Agreement with Old Boston Restorations for Parcel R-11C to landscape and to maintain the same as additional open space subject to a plan approved by the Authority.

The Authority may choose to develop Parcel R-11B and Parcel R-11-C notwithstanding its conveyance of Parcel R-11B for the project. Accordingly, so long as such development occurs more than three years from the date of conveyance, Old Boston Restorations and any successors and assigns will be deemed to consent to any action the Authority may take in furtherance of such development, including at its sole option the taking by eminent domain of Parcel R-11B, and agree, in return for having received such parcel for no consideration to accept \$1.00 as its then fair market value and will not contest the validity of such taking.

The total estimated reconstruction cost for the existing McDonald Warehouse has been estimated at \$1,600,000. According to the financial information provided, it has been indicated that Old Boston Restorations has a firm financial commitment of \$1,600,000 from the Bank of New England for construction/-first mortgage financing. Any mortgage in connection with the project would be limited to Parcel R-11A, located at 26-34 East Concord Street.

Also, in compliance with all aspects and specifications of Urban Renewal Plan, the submitted drawings of Old Boston Restorations have been reviewed and approved by the Authority's Urban Design Department.

I, therefore, recommend that Old Boston Restorations be finally designated as Redeveloper of Parcels R-11A and R-11B and that the Authority grant a lease for Parcel R-11C in the South End Urban Renewal Area.

An appropriate Resolution is attached.



RD-56
SE-2
SE-7
SE-49
RR-19

RR-79
RR-86
RR-2E
RD-76C
RD-598
RD-76B

R-7

R-7c

RC-9

PB-13c RD-82 PB-13b

RR-17 RD-61

RD-60 RD-76a

RE-7
22,037
RE-7c

RD-65

Parcel - R-11C

Parcel - R-11B

Parcel - R-11A

RR-76

SE-10

RD-49

RD-36

RR-1

P-14

P-14

RELEVANT

NO THORITY

TRANSIT

P-14

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